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ABSTRACT

This report provides a demographic overview of Hispanics in the United States. Information was drawn largely from recent census figures. The following highlights are reported: (1) Hispanic Americans are the youngest and fastest growing minority group, but they are also more likely than non-Hispanics to drop out of school, be unemployed or underemployed, and live in poverty; (2) while Hispanic American educational attainment and economic status are improving, the economic gap between Hispanic Americans and Whites is widening; (3) inadequate education is the single greatest problem facing Hispanic Americans; (4) while Hispanic American men have a higher labor force participation rate than any other population group, they are much more likely than White men to be unemployed or underemployed; (5) while the labor force participation of Hispanic American women has increased, they have the lowest earnings of any population group; (6) the labor force participation of Hispanic American youth has decreased; (7) the income gap between Hispanic Americans and non-Hispanic Americans is widening; (8) just over half of all Hispanic American families have a female head of household, one of the major predictors of poverty; (9) Hispanic Americans are more likely to have children and live in larger families than other groups. The negative impact of these trends on the economy, child welfare, and social services are discussed. Statistical data are presented in 18 tables. A list of 16 references is appended. (FMW)

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CHANGING HISPANIC DEMOGRAPHICS

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FOREWARD

This report provides a demographic overview of Hispanics in the United States. The Policy Analysis Center of the National Council of La Raza publishes periodic reports providing in-depth analyses of particular issues affecting Hispanics, and of specific aspects of Hispanic socioeconomic status. For example, recent reports have focused on educational status, literacy, housing, employment status, teenage pregnancy, AIDS, the elderly, and business ownership.

This report was developed to complement those analyses. It summarizes Hispanic socioeconomic status rather than offering in-depth data on a particular topic, and includes only limited information on the policy implications of the statistics presented. It is designed to offer a broad overview of the size, location, and sociodemographic characteristics of the Hispanic population, and to fill in some of the gaps in published information about Hispanics. It focuses heavily on Hispanic family structure, income, and poverty, and therefore presents data dealing with the feminization of poverty within the Hispanic community.

The charts include sources, but the narrative is not footnoted. Instead, a list of sources is provided at the end. In general, Hispanic subgroup data come from the Bureau of the Census Advance Reports on Hispanics (Series P-20), which rely on the March Current Population Surveys (CPS); the most recent information comes from the March 1987 CPS, which included income data for 1986. Information on income and poverty, including comparisons between Hispanics, Blacks, and Whites, also comes from the CPS, and is published each year in the "Money Income and Poverty Status" reports (Series P-60). This report also draws heavily on previously published Policy Analysis Center analyses of education, employment, and other topics; each of those reports includes extensive references.

CHANGING HISPANIC DEMOGRAPHICS

I. SUMMARY

Hispanic Americans are the youngest and fastest growing major U.S. subpopulation, but they also are more likely than non-Hispanics to drop out of school, be unemployed or underemployed, and live in poverty. Nearly one in 12 Americans is now Hispanic, but Hispanics also account for more than one of every seven families living below the poverty level, more than one of every five illiterate adults, and one in every four adults with less than a fifth-grade education.

While Hispanic educational attainment and economic status are improving, the economic gap between Hispanics and Whites is widening. Because Hispanics are becoming an increasingly important segment of the U.S. population and workforce, their economic status and progress will help determine future U.S. productivity and competitiveness in the world marketplace.

Perhaps the single greatest problem facing the Hispanic community is undereducation. Only about half of Hispanic adults 25 and over are high school graduates, compared to three-quarters of Whites and more than three-fifths of Blacks. Only about one in 12 Hispanics is a college graduate, compared to one in nine Blacks and one in five Whites. Depending upon the measure used, up to 56% of Hispanic adults are functionally illiterate.

Inadequate education negatively affects employment and earnings. Hispanic men have very high labor force participation rates -- they are more likely to be working or looking for work than any other major population group, including White men -- but they are much more likely than Whites to be unemployed or underemployed. The Hispanic unemployment rate typically remains 60% above the White rate regardless of economic conditions, and has been in double digits for most of the past decade. Employed Hispanics tend to be segregated in low-wage, low-skill jobs. The proportion of Hispanic women in the workforce has increased from 40% to 50% in the past 15 years, but Hispanic women have the lowest earnings of any major subpopulation. Hispanic youth also face extremely difficult employment obstacles. Nationally, at least half of Mexican American and Puerto Rican youth leave school without a high school diploma, and about one-quarter of Hispanic youth were unemployed in 1986. Labor force participation among Hispanic youth has decreased during the 1980s; in 1986, Hispanic youth had a labor force participation rate only about three-quarters as high as White youth, and just slightly above Black youth.

The income gap between Hispanics and non-Hispanics is widening; Hispanic median family income in 1986 was 65% of White income -- down from 71% in 1972. The 1986 median family income for Hispanics was \$19,995 -- a decrease of 5% in real income since 1978. Poverty rates for Hispanic families are also high and growing. In 1986, one-quarter of Hispanic families were poor by federal standards, up from one-fifth in 1978. Hispanics are about three times as likely as White families to be poor.

Perhaps the major predictor of poverty among Hispanic families is having a female head of household. Just over half of Hispanic female-headed families were poor in 1986, compared to a little more than one-quarter of White female-

headed households. In 1986, two-thirds of Hispanic children in female-headed households were poor. This problem is growing, since the number of Hispanic single-parent households is increasing; in 1987, 23% of Hispanic families were female-headed, compared to 13% of White and 42% of Black families.

Hispanics are more likely than other Americans to have children and to have large families. They appear to be more likely than other Americans to live in multi-generational families. In 1980, even at age 85 or older, only 10% of Hispanics were in nursing homes, compared to 12% of Blacks and 23% of Whites.

Future demographic trends indicate that Hispanics will make up 10% of the U.S. workforce and nearly 10% of the population by the year 2000. Hispanics will continue to be the youngest major U.S. subpopulation, but the number of Hispanic elderly will also increase dramatically. This will place new demands on Hispanic families and the community social service structure.

The proportion of Hispanic women in the work force can be expected to continue to increase, for economic and other reasons. Given the Hispanic population's youth, higher fertility rates, and cultural values favoring children, this will cause a continuing increase in the need and demand for day care. Continued high rates of teenage pregnancy and growing divorce rates are likely to mean a continuing increase in the number of female-headed households, representing the Hispanic version of the "feminization of poverty." This has major dangers for Hispanic children, given the extremely high poverty rate among Hispanic children in female-headed households.

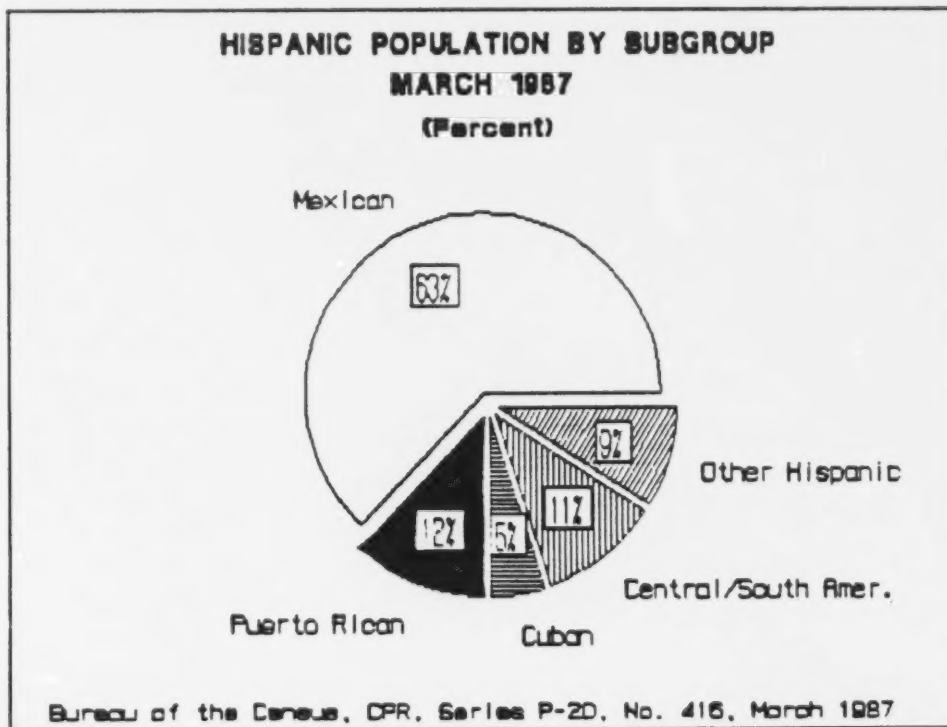
High rates of teenage unemployment and continued high dropout rates for Hispanic youth threaten the employability of young Hispanics, and are likely to continue the dangerous trend of growing poverty rates. As Hispanics become an increasing proportion of young adults, it will be important for society as well as to the Hispanic community to improve their education and training so that they can become productive workers able to support their families above the poverty level.

The strength and socioeconomic status of Hispanics thus represent a matter of concern not only to Hispanics but also to the overall American society.

II. POPULATION OVERVIEW

Today, about one in 12 Americans is Hispanic. According to Census Bureau figures, the Hispanic population in March 1987 totaled about 18.8 million, excluding about 3.4 million Puerto Ricans living on the Island. Between 1980 and 1987, the Hispanic population grew five times as fast as the non-Hispanic population, increasing by 30%, compared to 6% for non-Hispanics. Hispanics now constitute 7.9% of the mainland population, and are a varied group. In 1987, 63% of Hispanics identified themselves as being of Mexican origin, 12% Puerto Rican, 11% Central and South American, 5% Cuban, and 9% Other Hispanic (See Figure 1). Many of those in the "Other" category are descendants of Spanish settlers whose families have been living in the Southwest for many generations.

FIGURE 1



Hispanics live in every state but remain geographically concentrated. As of 1980, half of all Hispanics lived in California and Texas, and more than four-fifths lived in these two states plus New York, Florida, Illinois, New Jersey, New Mexico, Arizona, and Colorado (See Figure 2).

Hispanics are the youngest major U.S. subpopulation; in 1987, their median age was 25.1, compared to 32.6 for non-Hispanics. Median age varies greatly by subgroup; Mexican Americans are the youngest, at 23.5 years, and Cubans the oldest, at 35.8 years (See Figure 3). About half the growth in the Hispanic population represents natural increase, one-fourth legal immigration, and up to one-fourth illegal immigration.

FIGURE 2

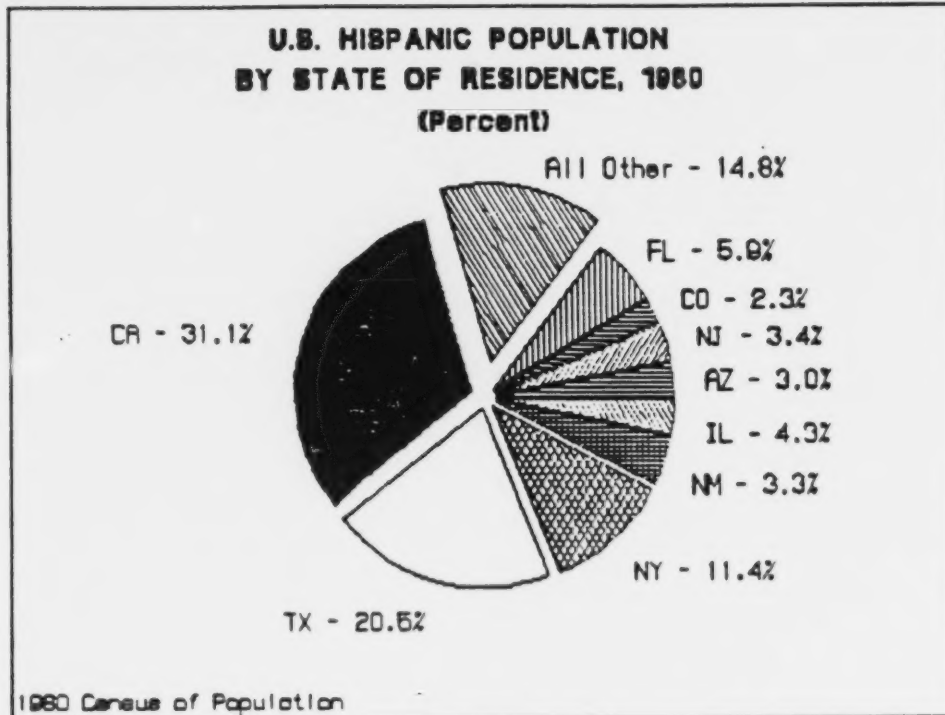
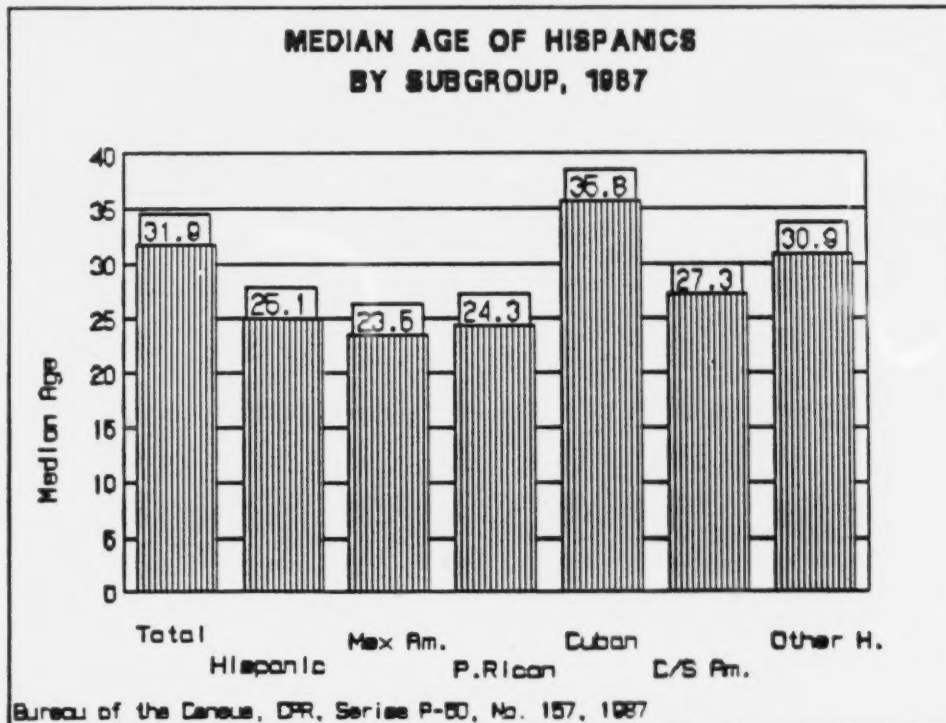


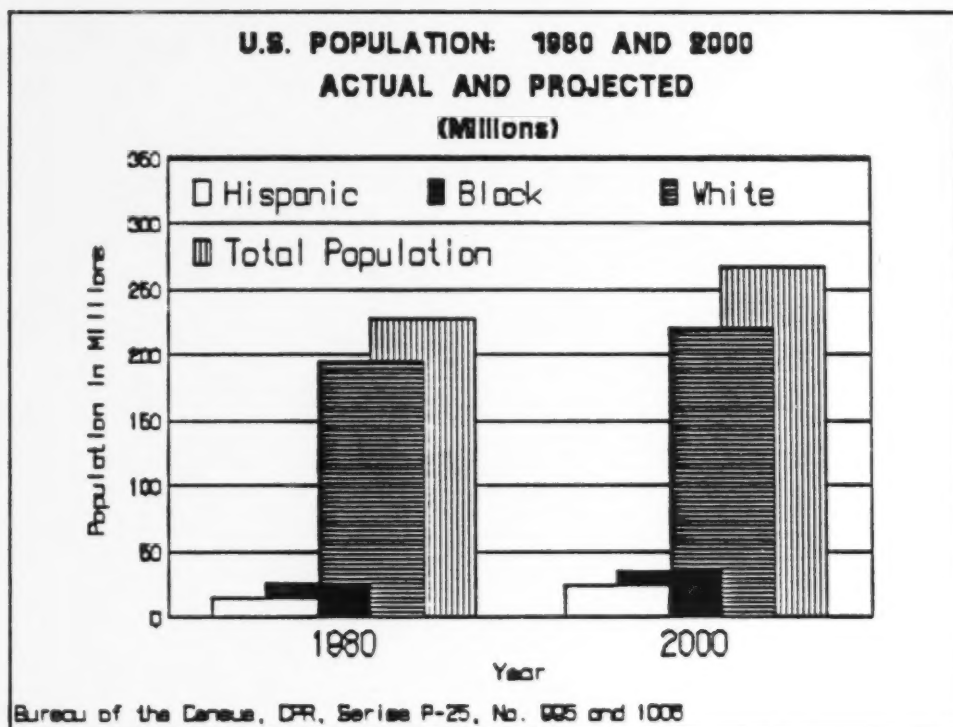
FIGURE 3



Persons over 65 currently make up only 5% of the Hispanic population, but the Hispanic elderly are expected to account for about one-fourth of total Hispanic population growth over the next 20 years.

The Hispanic population of the United States has more than doubled in the past 20 years, and by the year 2000 is expected to be almost three times as large as it was in 1970. Moderate projections from the Census Bureau predict that Hispanics will constitute more than 9.4% of the U.S. population in 2000, up from 6.4% in 1980 and 7.9% in 1987. Figure 4, attached, shows the actual 1980 population and projected 2000 population for Hispanics, Whites, Blacks, and the total U.S. population.

FIGURE 4

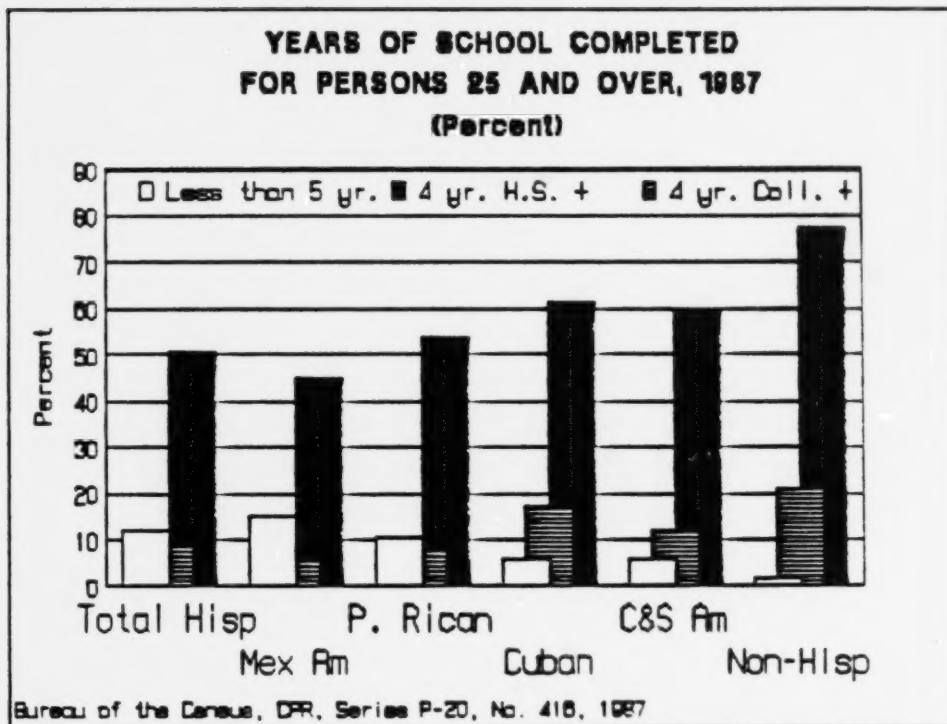


III. EDUCATION AND EMPLOYMENT

A. Educational Status

Hispanics remain the most undereducated U.S. subpopulation, and although educational attainment is gradually increasing, the gap between Hispanics and Whites remains wide. Figure 5 shows years of school completed for Hispanics and non-Hispanics, including subgroup data.

FIGURE 5



Hispanics are far more likely than other Americans to have completed less than five years of schooling, and to be functionally illiterate. Completion of less than five years of school is the traditional measure of illiteracy. Only 1.8% of non-Hispanics 25 and over had completed less than five years of school as of 1987, compared to 11.9% of Hispanics. There were major subgroup differences; among Cubans, Central and South Americans, and Other Hispanics, the percentage of adults who had completed less than five years of school was about 6% or less, compared to 10.3% of Puerto Ricans and 15.4% of Mexican Americans.

Depending upon the measure used, up to 56% of Hispanics 25 and over can be considered functionally illiterate; Hispanics have higher rates of illiteracy than either Blacks or Whites. The 1975 Adult Performance Level Study (APL) developed a three-level standard, with APL 1 equaling functional illiteracy, APL 2 marginal literacy, and APL 3 advanced literacy. Based on these measures, 56% of Hispanics were at APL 1, compared to 44% of Blacks and 16% of Whites. Another national literacy study, the English Language Proficiency Survey (ELPS), estimated that in 1982, more than one of every five illiterate adults in the U.S. (22%) were Hispanic. Using ELPS standards, between 39% and 49% of Hispanics would be considered illiterate; researchers analyzing the ELPS data feel that actual Hispanic illiteracy rates may be higher. ELPS also estimated that 48% of adults whose native language was other than English were illiterate in English; study results also indicated that 86% of these adults were also illiterate in their native language. Limited-English proficiency contributes to illiteracy among Hispanics, as does the high dropout rate.

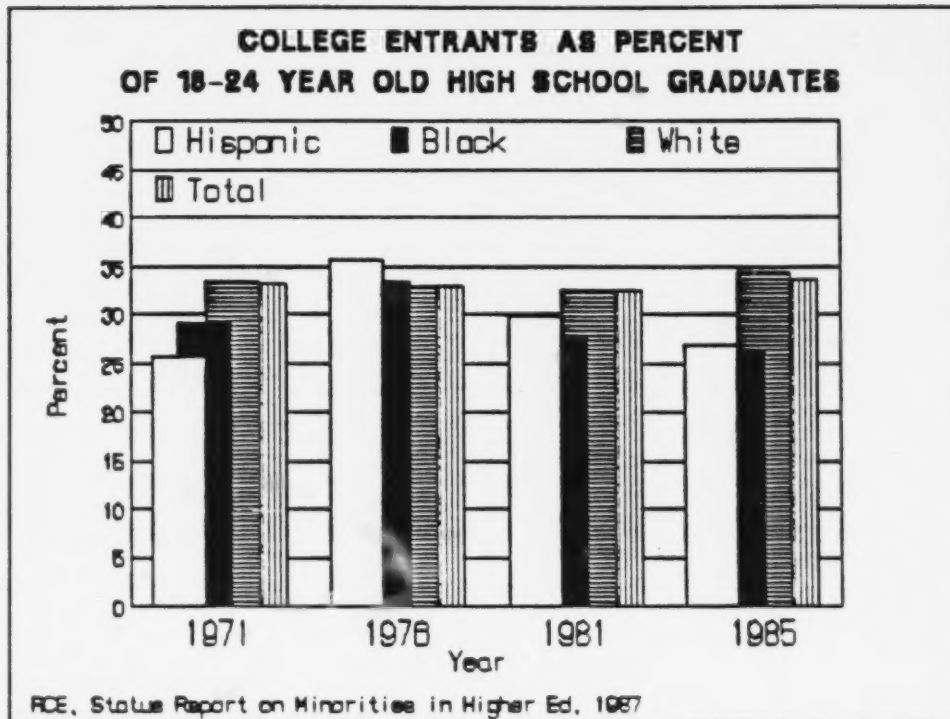
Only about half of Hispanics 25 and over are high school graduates. As of 1987, just 50.9% of Hispanics, compared to 63.4% of Blacks and 77.0% of Whites had completed high school. The median number of school years completed for Hispanics 25 and older was 12.0 years, compared to 12.4 for Blacks and 12.7 for Whites. There are large differences by subgroup; 44.8% of Mexican Americans, 53.8% of Puerto Ricans, 59.3% of Central and South Americans, 61.6% of Cubans, and 64.2% of Other Hispanics were high school graduates as of 1987, as were 77.3% of non-Hispanics.

Hispanics not only have higher dropout rates; they also tend to leave school earlier than Blacks or Whites. It has been estimated that about 40% of Hispanic dropouts leave school before the spring semester of their sophomore year.

Only one in 12 Hispanics is a college graduate, and the percentage of Hispanic high school graduates entering college has been declining for more than a decade. In 1987, 8.6% of Hispanics had completed four or more years of college, compared to 12.7% of non-Hispanics. Data from the American Council on Education indicate that the college participation rate for Hispanics 18-24 reached a high of 35.8% in 1976 but has decreased since that time; in 1985, it was 26.9%, approximately the same as in 1971 (See Figure 6). In 1985, Hispanics accounted for 8.2% of the 18-24-year-old population in the U.S., but only 4.3% of college enrollment. Moreover, Hispanics are much more likely to attend community colleges than four-year institutions; more than half of Hispanic postsecondary students are enrolled in two-year public institutions. Hispanics received only 2.7% of the baccalaureate degrees awarded in 1985. There has been a shift away from education and the social sciences at the undergraduate and master's level, towards business, science, and other technical fields. For example, in 1985, Hispanics received 3.9% of the bachelor's degrees in business, 2.9% of the degrees in health professions, 3.9% of those in engineering, and 2.3% of those in the social sciences.

Although percentages remained very small, there was an increase in the number of bachelor's, master's, doctoral, and first-professional degrees received by Hispanics between 1976 and 1985.

FIGURE 6



B. Employment Status

Hispanics have higher rates of unemployment than Whites, and employed Hispanics tend to be concentrated in low-skill, low-pay jobs.

Hispanics have very high labor force participation rates; they are more likely than non-Hispanics to be either employed or looking for work. In March 1987, 65.0% of Hispanics, compared to 64.5% of non-Hispanics 16 and over, were in the civilian labor force. Among Hispanic men, 79.3% were in the labor force, compared to 74.1% of non-Hispanic men. The labor force participation rate for Hispanic women was 50.9%, compared to 55.7% for non-Hispanic women. The percentage of Hispanic women in the labor force has increased by one-fourth -- from 40% to more than 50% -- in the past 15 years.

Among men, labor force participation was highest among Central and South Americans (85.2%) and Mexican Americans (80.6%), and lowest among Other Hispanics (71.4%) and Puerto Ricans (71.7%). Among women, Central and South Americans (58.9%) and Cubans (54.9%) were most likely to be in the labor force, while Puerto Rican women (40.1) were least likely (See Figure 7).

While labor force participation is high, Hispanic unemployment tends to remain 60% above the White rate, regardless of economic conditions. During most of the past decade, Hispanic unemployment has been in double digits. In 1987, when overall unemployment stood at 6.2% and White unemployment at 5.3%, Hispanic unemployment averaged 8.8%, and Black unemployment 13.0%. (See Figure 8).

FIGURE 7

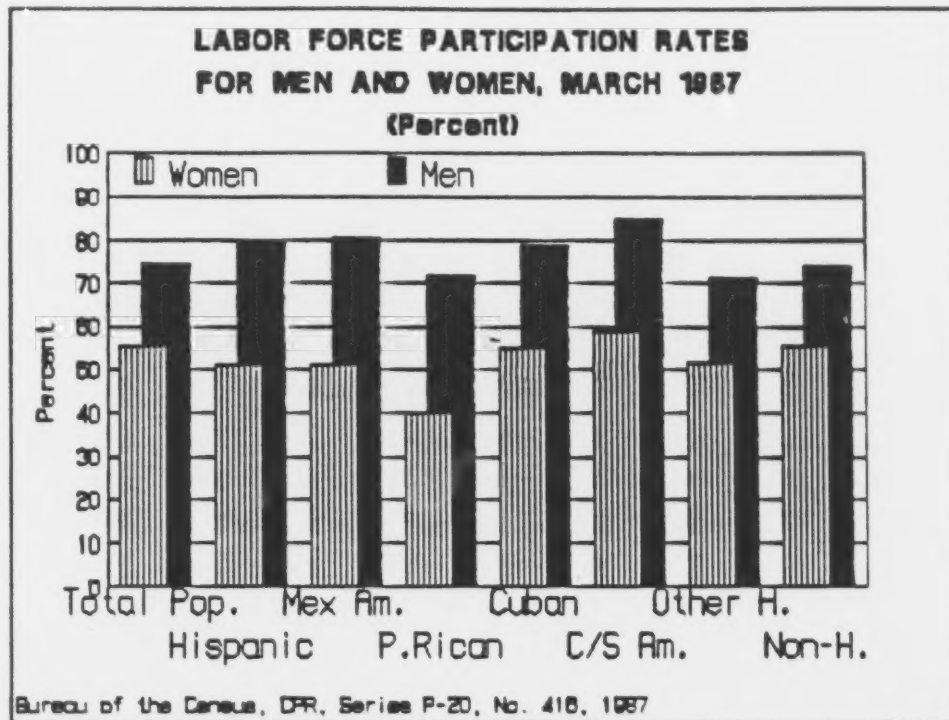
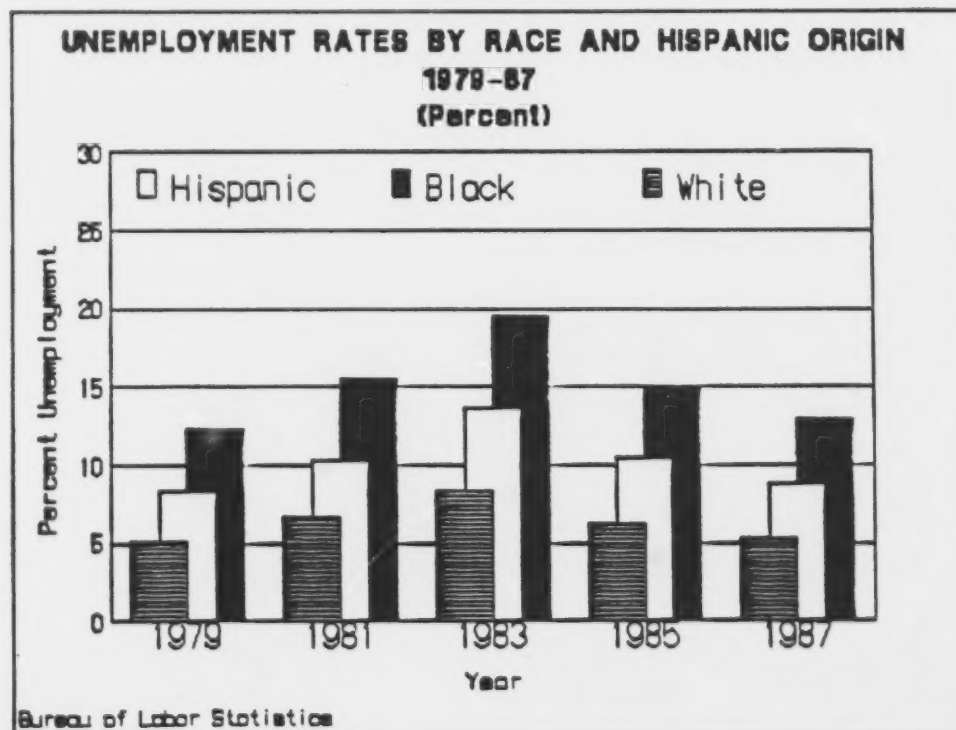
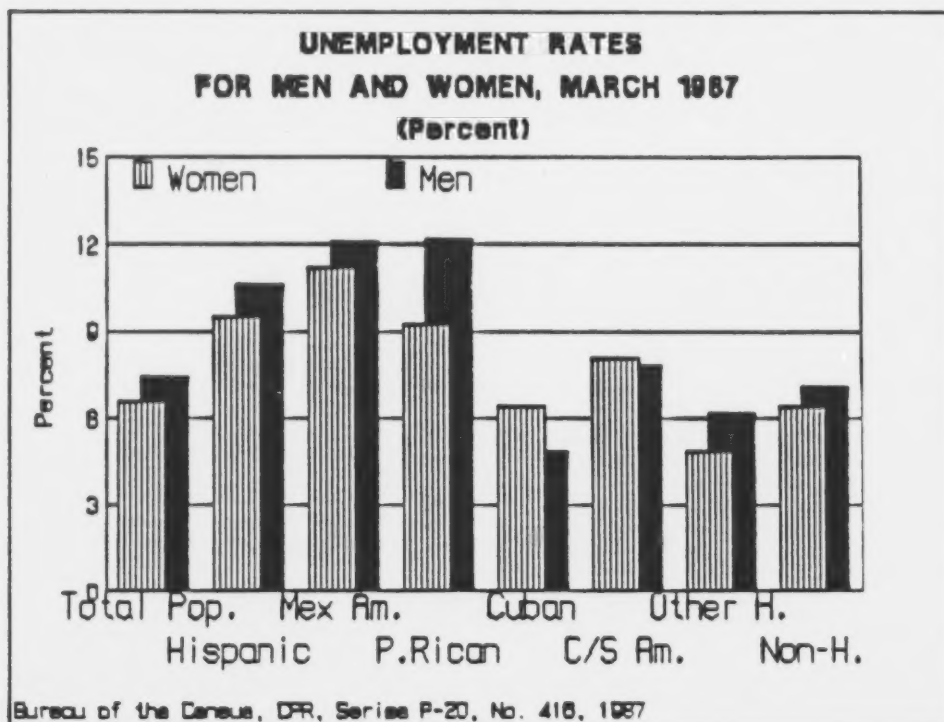


FIGURE 8



There are major differences by subgroup. In March 1987, when the national unemployment rate was 7.0%, the rate for Hispanics was 10.2%, ranging from 5.6% for Other Hispanics to 11.7% for Mexican Americans. (See Figure 9). Contributing to high Hispanic unemployment is worker displacement. Hispanics have higher rates of displacement, job loss through plant closings or other factors, than do Blacks or Whites, and Hispanic women are more likely than other displaced women to remain unemployed or leave the labor force.

FIGURE 9

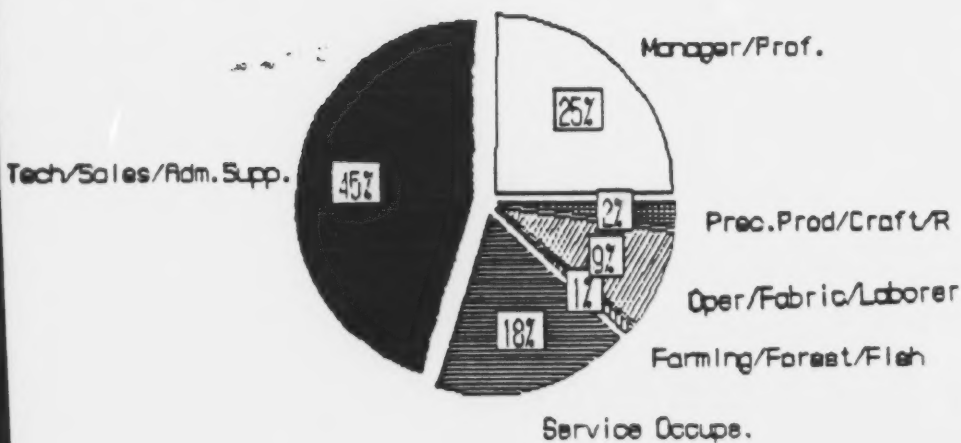


Hispanics often hold marginal jobs which are particularly vulnerable to displacement. They are far less likely than the general population to work in highly skilled, highly paid managerial, professional, or technical jobs, and far more likely to hold jobs as operators, fabricators, and laborers, and as farm-workers. The occupational breakdown for Hispanic males and females, compared to the total U.S. population, is provided in Figure 10.

Hispanics are also less likely than other Americans to own their own businesses. The number of Hispanic-owned businesses is growing; there were nearly a quarter of a million of them in 1982 when the last federal survey was taken. However, Hispanics were only about one-quarter as likely to be business owners as would be expected given their percentage of the population. The businesses tended to be very small, with annual gross receipts averaging \$60,354, compared to \$533,136 for all U.S. firms. Only one in six had paid employees. Nearly two-thirds were service or retail establishments, and nearly 19 in 20 were sole proprietorships; just 2% were corporations. Among Hispanics, Cubans were most likely to be business owners, and Puerto Ricans least likely.

FIGURE 10
OCCUPATIONS OF MEN AND WOMEN, MARCH 1987

OCCUPATIONS OF WOMEN, TOTAL U.S. POPULATION, MARCH 1987



OCCUPATIONS OF HISPANIC WOMEN, MARCH 1987

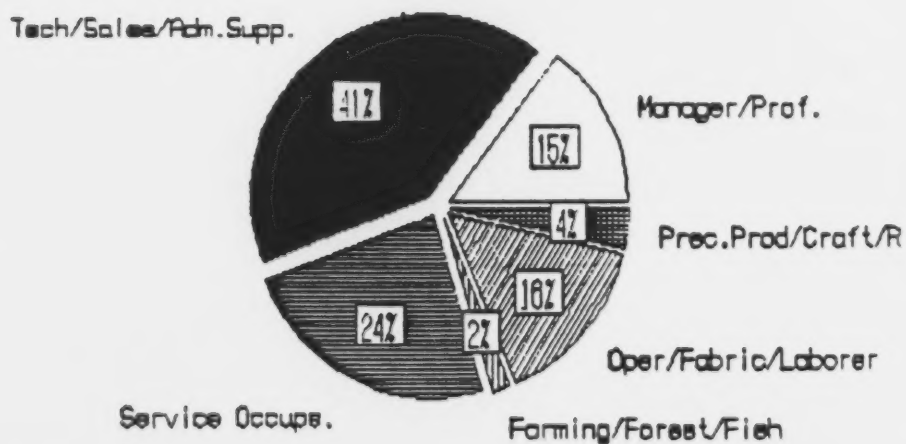
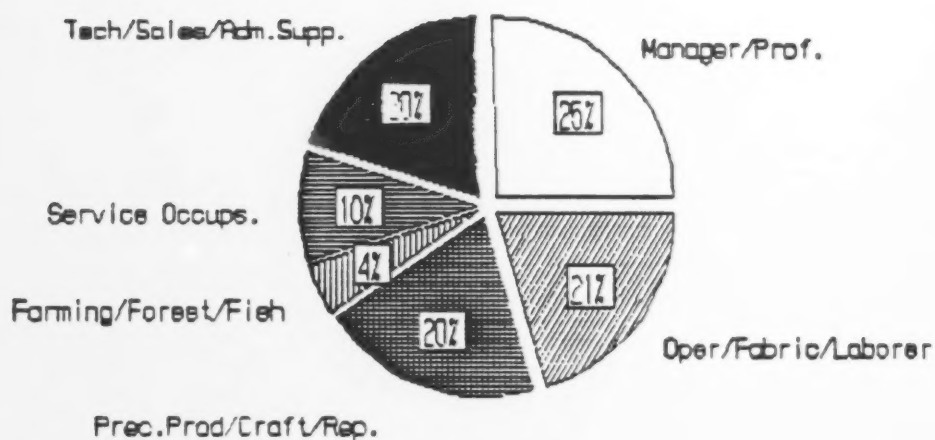
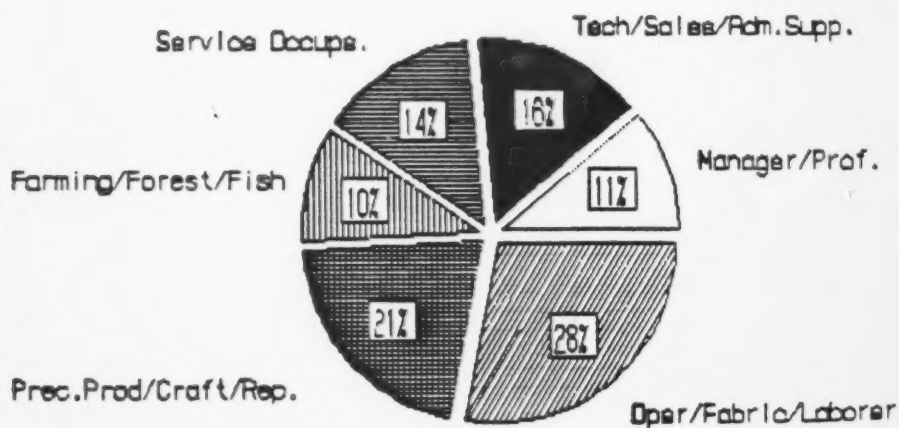


FIGURE 10, CONT.
OCCUPATIONS OF MEN AND WOMEN, MARCH 1987

OCCUPATIONS OF MEN, TOTAL U.S. POPULATION, MARCH 1987



OCCUPATIONS OF HISPANIC MEN, MARCH 1987



IV. HISPANIC FAMILIES

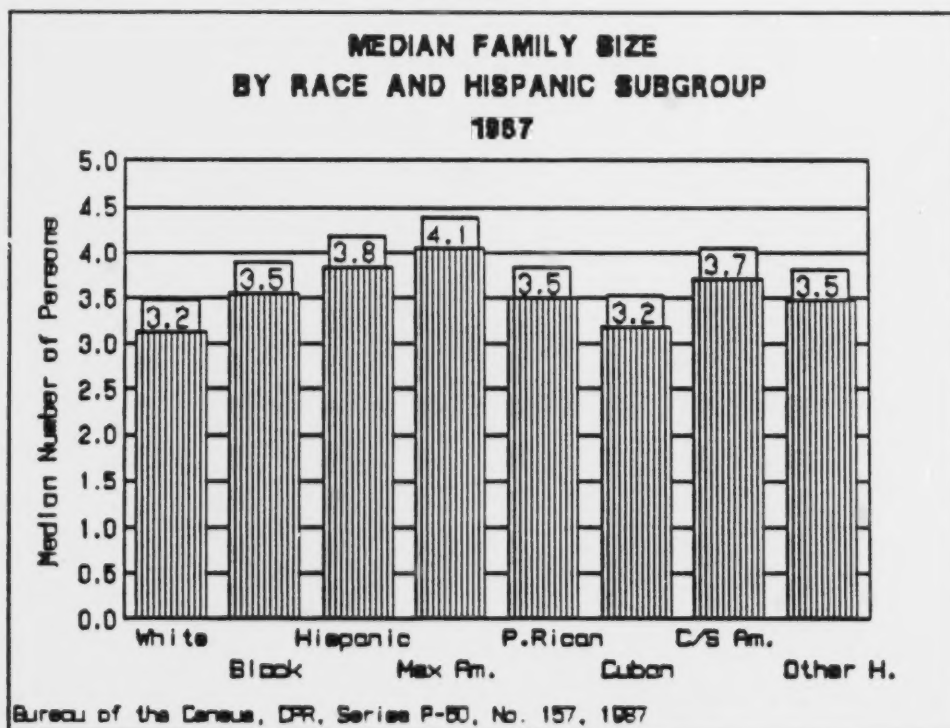
As with other American families, the demographics of Hispanic families are changing; yet major differences remain among Hispanic subgroups and between Hispanics and other major population groups.

More than the overall U.S. population, Hispanics live in family households -- rather than alone or with non-relatives. The March 1987 Current Population Survey identified more than 4.4 million Hispanic families; about 90% of Hispanics lived in family units, compared to 86% of all Americans.

Hispanics are more likely than other Americans to have children, and they have somewhat larger families than non-Hispanics. In 1987, almost two-thirds (64.9%) of Hispanic families had children under 18, compared to less than three-fifths (59.0%) of Black families and less than half (48.0%) of White families. (A part of the difference between Hispanics and Whites is explained by the fact that the White population includes more older couples whose children are over 18.) Among Hispanic subgroups, nearly three-fourths of Puerto Rican and more than two-thirds of Mexican families had children.

There is wide variation in family size among Hispanic subgroups; in 1987, Mexican Americans had the largest mean number of persons per family at 4.05, while Cubans had the smallest, at 3.18 (See Figure 11).

FIGURE 11

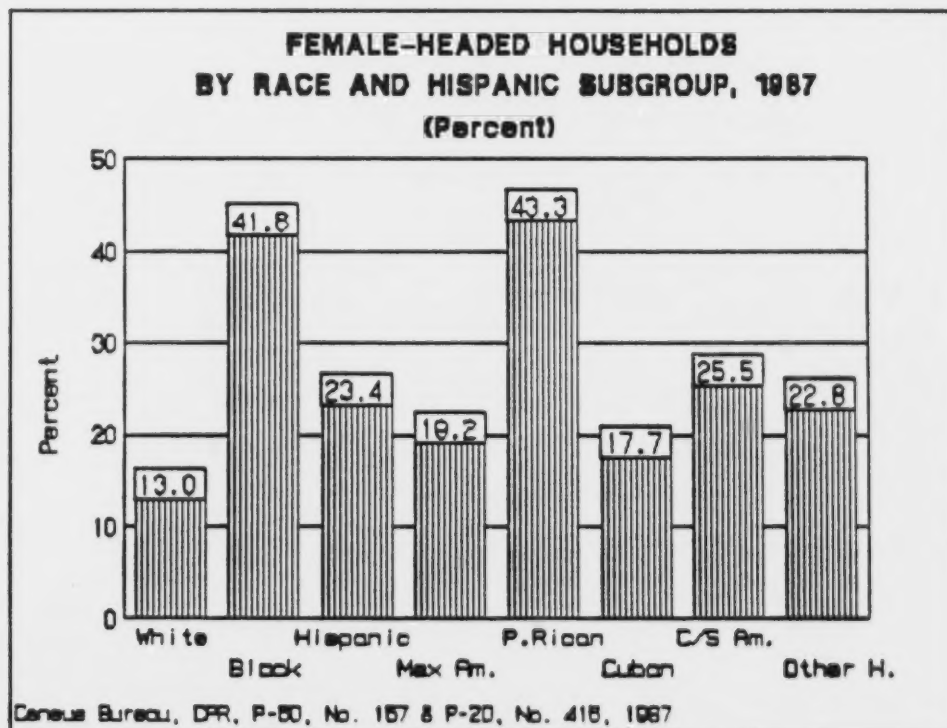


More than three times as many Hispanic families (5.3%) as non-Hispanic families (1.6%) had seven or more members in 1987. Mexican Americans are most likely to have large families, in 1987, 7.3% of Mexican American families included seven or more members, compared to 3.9% of Central and South American families, 1.6% of Other Hispanic families, 3.0% of Puerto Rican families, and less than half a percent of Cuban families.

Hispanic women continue to have higher fertility rates than Whites or Blacks. Fertility data indicate that in the 12-month period ending June 1986 Hispanic women 18-44 had a fertility rate of 105.6 births per 1,000 women, compared to 78.4 for Blacks and 68.2 for Whites. Hispanic women who had babies during that period were twice as likely as Whites to be unmarried (22.8% versus 11.8%), but only half as likely as Blacks (49.2%).

The number of Hispanic single-parent households is increasing. In 1979, 76.2% of Hispanic households were married-couple families, and 19.8% were headed by females; in 1987, the percentage of married-couple families had decreased to 70.8%, and the percentage headed by women had increased to 23.4%. As of 1987, Hispanic families were almost twice as likely to be headed by females as White families (13.0%), but only about half as likely as Black families (41.8%). Among the subgroups, Puerto Rican families were the most likely to be headed by females (43.3%); their family structure was very similar to that of Black families. Nearly one-fifth (19.2%) of Mexican American families, one-fourth (25.5%) of Central and South American families (25.5%), and one-sixth (17.7%) of Cuban families were headed by females (See Figure 12).

FIGURE 12



Because of the increase in female-headed households, the percentage of Hispanic children under 18 living with one rather than both parents is increasing. In 1980, about one in five Hispanic children (21.2%) lived with one parent, but the proportion had increased to 28.8% in 1985 and to 28.9% in 1987. More than half of all Black children (51.6%) lived with just one parent in 1987, although the rate of increase between 1980 and 1987 was lower than for Hispanics. The proportion of White children in single-parent families remained much lower and was growing at a lower rate; in 1987, 18.5% of White children lived with one parent.

Hispanics remain slightly less likely than non-Hispanics to be divorced, but the Hispanic divorce rate is increasing. In 1987, 7.3% of non-Hispanics 15 and over were divorced, compared to 7.1% of Hispanics. There are considerable differences by subgroup; in 1987, Central and South Americans (4.4%) and Mexican Americans (6.6%) were less likely to be divorced than Puerto Ricans (9.3%) and Cubans (10.1%). However, divorce rates have increased steadily since 1970, when only 3.4% of Hispanics 14 and over were divorced.

Hispanic teenage pregnancy is increasing, and although the majority of Hispanic teenage mothers are married, most have not finished high school. In 1980, 7.3% of Hispanic 15-19 year-olds had babies, compared to 10.2% of Blacks and 4.5% of White non-Hispanics. The teenage birth rate varied greatly by subgroup; 8.9% of Mexican Americans, 6.8% of Puerto Ricans, and 2.2% of Cubans had babies. Hispanic teenage mothers were more likely than Blacks but less likely than Whites to be married; 58.0% were married at the time their child was born, compared to 69.1% of Whites and just 14.6% of Blacks. There were major subgroup differences; 68.1% of Cubans, 52.4% of Mexican Americans, and 50.0% of Puerto Ricans were married. However, even among 18-19 year-olds, only 37.3% of Hispanic teenage mothers were high school graduates, compared to 55.6% of Whites and 56.0% of Blacks.

One measure of the relative youth of the Hispanic population is the small percentage of families headed by persons over 65. Just 7.6% of Hispanic families had householders 65 and over in 1987, compared to 12.5% of Black families and 16.5% of White families. Hispanics appear more likely than other Americans to live in multi-generational families, although precise data are difficult to obtain. In 1985, 60.7% of Hispanic elderly were householders, and of these, 36.5% lived with a spouse or other family members, 23.6% lived alone, and just 0.7% lived with non-relatives. Of the 39.2% who were not householders, 37.4% (including 14.4% of men and 54.7% of women) lived in families. This group included many women living with husbands who were counted as householders. Another statistic suggests the extent to which Hispanic elderly live in multi-generational families. About 39.1% of Hispanic elderly were widowed in 1985. Of this group, more than one-third -- 34.4% -- were not householders but lived in families (that is, with relatives). The corresponding percentage for all elderly Americans was only 15.3%.

The Hispanic elderly are also slightly less likely than other elderly Americans to live in the community; 97% of Hispanics lived in the community in 1980, compared to 96% of Blacks and 94% of the total elderly population. Even at advanced ages, Hispanic elderly appear less likely to be institutionalized; at age 85 or older, only 10% of Hispanics were in nursing homes, compared to 12% of Blacks and 23% of Whites.

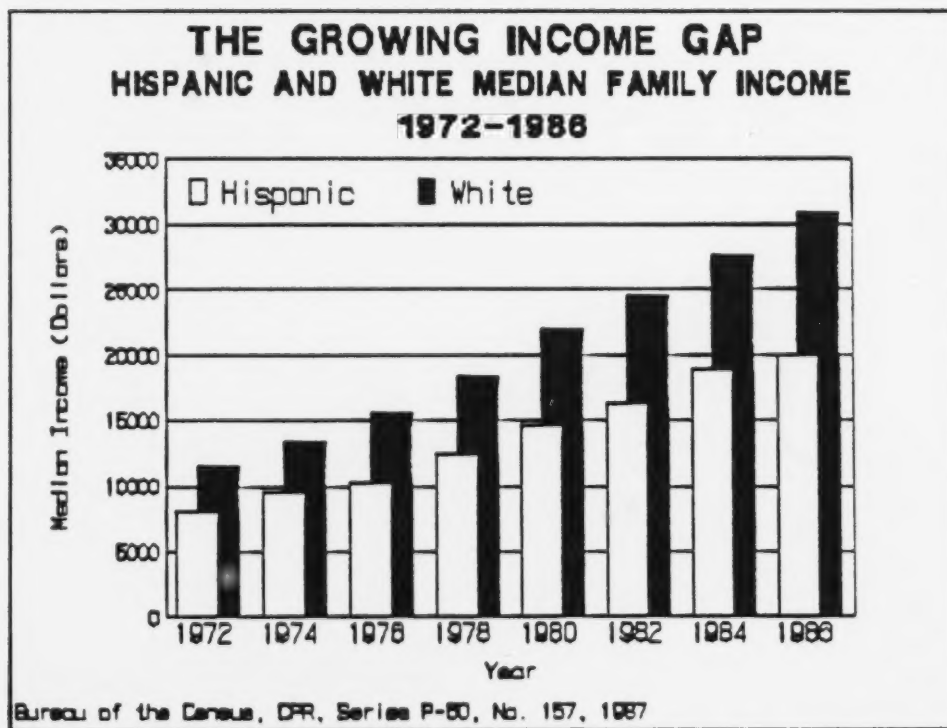
V. INCOME AND POVERTY

A. Income

Hispanic families typically have median incomes above those of Blacks and below those of Whites, and poverty rates much higher than White families and slightly lower than Black families. However, employed Hispanics earn less per week than Blacks or Whites, and Hispanic married couples have lower median family incomes than either Blacks or Whites. While Hispanic income levels have increased somewhat over the past decade, so have poverty rates.

The gap between Hispanic and White family income appears to be widening, as shown in Figure 13. In 1972, Hispanic median family income was 71% of White income, in 1980 it was down to 67%, and in 1985 to 65%. The 1986 median family income for Hispanics was \$19,995, compared to \$30,809 for Whites and \$17,604 for Blacks. Hispanic real family income (after adjustment for inflation) has decreased by 5% since 1978. Family income data for 1986 show large differences by Hispanic subgroup, as shown in Figure 8; Other Hispanics and Cubans had the highest median family incomes in 1986, and Puerto Ricans the lowest.

FIGURE 13

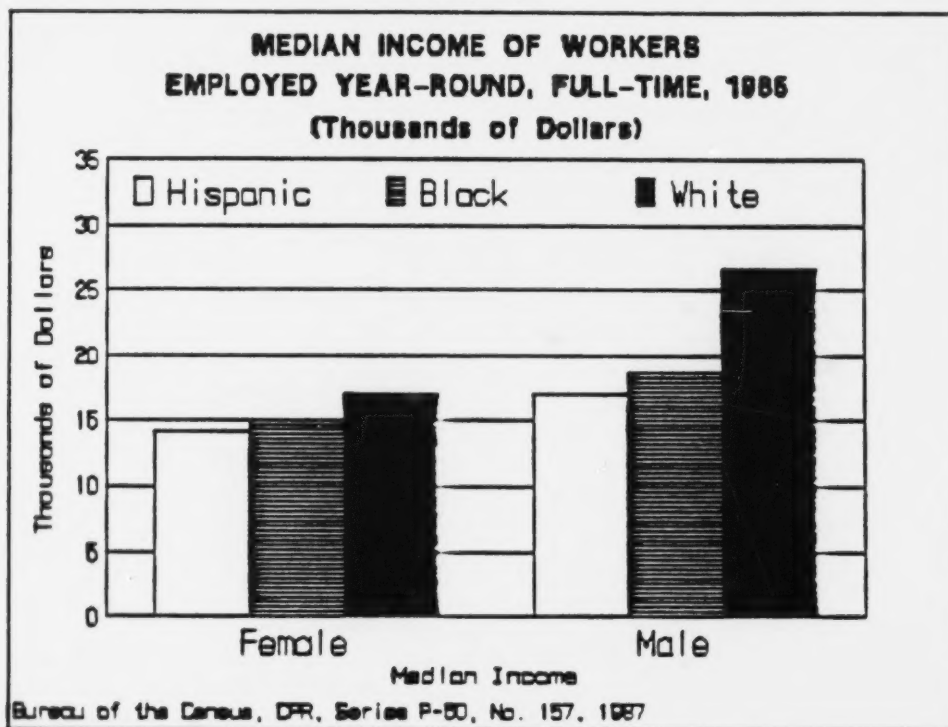


Significant differences in median family income are also found by region. In 1986, Hispanic families in the Midwest had the highest median incomes (\$21,710), closely followed by those in the West (\$21,226), and then the

South (\$18,949) and Northeast (\$17,153). The variations were quite large, with median family incomes in the Midwest nearly 27% higher than those in the Northeast. The figures reflect the fact that Puerto Ricans, who are heavily concentrated in the Northeast, have the lowest family incomes among Hispanics. For Blacks, the highest family income was found in the West, followed by the Northeast, Midwest, and South; differences by region were large, as with Hispanics. For Whites, highest family incomes occurred in the Northeast, followed by the West, Midwest and South -- but differences by region were much smaller.

Hispanics employed year-round, full-time earn less per week than Black or White workers. As Figure 14 shows, as of 1986, this was true for both Hispanic men and Hispanic women.

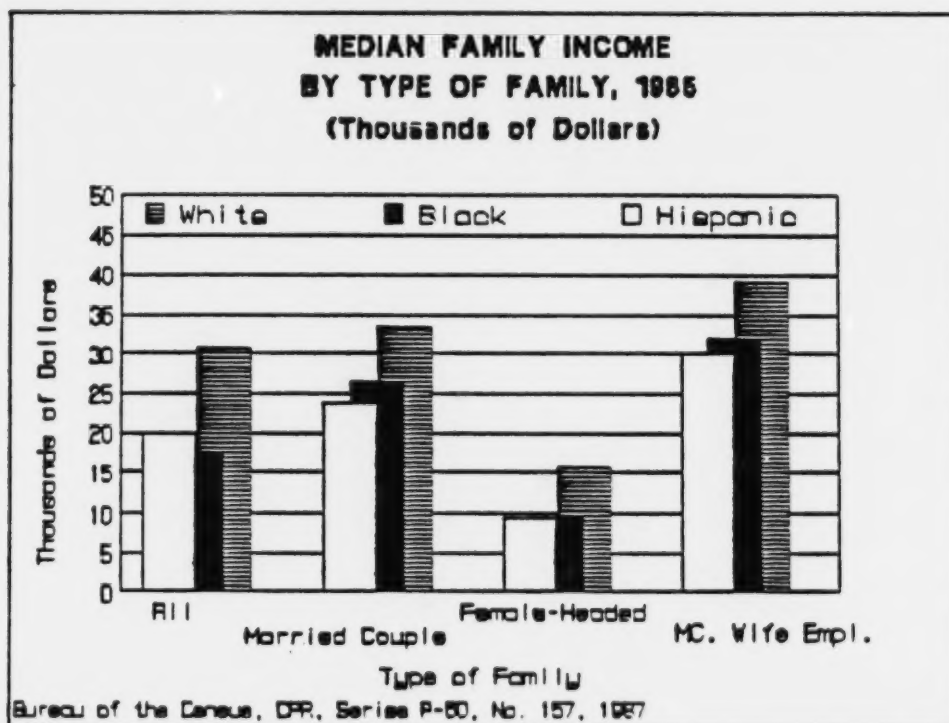
FIGURE 14



Hispanic married-couple households have lower median family incomes than Black or White families with two adults present. The 1986 median family income for married-couple Hispanic families was 90% of that of married-couple Black families and 72% of that of married-couple White families. This reflects both the relatively low labor force participation rate of Hispanic women -- only half of whom are in the work force -- and the fact that both Hispanic men and women have lower median weekly earnings than Black or White workers of the same sex. Even in married couples where the wife is employed, the median family income for Hispanics is below that of Blacks or Whites, as shown in Figure 15.

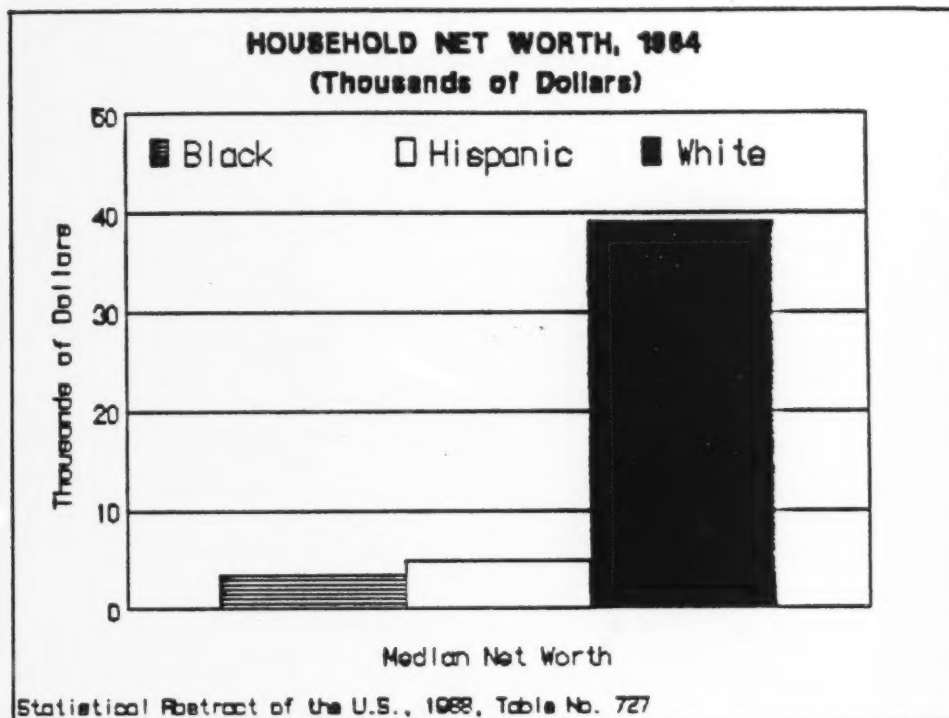
Median income is much lower in Hispanic female-headed households than in families where both parents are present. The 1986 median family income for female-headed Hispanic families was just 39% of the median income for married-couple Hispanic families; the corresponding percentage for Black families was 35% and for White families 47%. As Figure 15 indicates, female-headed Hispanic families had slightly higher median family incomes than female-headed Black families; female-headed minority families had incomes only about 60% as high as female-headed White families.

FIGURE 15



Data on household net worth make it clear that Hispanic and Black families typically have very limited assets. While only about one in 12 White families (8.4%) had zero or negative net worth in 1984, nearly one-quarter of Hispanic families (23.9%) and three in 10 Black families (30.5%) were in debt or without assets. Only about one in 12 Hispanic families and one in 16 Black families had assets exceeding \$100,000, compared to nearly one in four White families. Median net worth for Hispanic families was \$4,913 in 1984, slightly above the \$3,397 for Blacks, but only about one-eighth the \$39,135 for Whites. (See Figure 16). Only about one in 13 Hispanic households and one in 19 Black families owned stocks or mutual fund shares, compared to more than one in five White families. Hispanics are also less likely than Blacks or Whites to be home owners; 39.9% of Hispanic households owned homes in 1984, compared to 43.8% of Black families and 67.3% of Whites. Thus Hispanic and Black families are extremely dependent upon wage income, and are likely to fall into poverty if they are unemployed for even a very brief period.

FIGURE 16



B. Poverty

Poverty rates for Hispanic families are high and growing. In 1986, one in four Hispanic families (24.7%) was poor by federal standards; the poverty rate for Black families was slightly higher (28.0%), while only one in 11 White families (8.6%) lived below the poverty level. Poverty rates vary tremendously by Hispanic subgroup; in 1986, nearly two in five Puerto Rican families (38.1%) were poor in 1986, compared to one in four Mexican American families (24.9%), about one in five Central and South Americans (18.7%) and Other Hispanics (19.4%), and one in eight Cuban families (13.3%).

Hispanics are overrepresented among the "working poor." While only 5.3% of White families with an employed head of household were poor in 1986, poverty rates were 13.8% for Black and 15.1% for Hispanic families with employed householders. Poverty rates remained especially high for Hispanic families even when the household head worked 50 or more weeks during the year; just 3.2% of such White families were poor in 1986, compared to 6.6% of Black families and 9.3% of Hispanic families. Poverty levels were much higher for Hispanic families whose head of household worked less than 50 weeks (33.3%) or did not work (54.0%). For Black families, the poverty rates were similar to those of Hispanics: 37.3% where the household head was employed less than 50 weeks and 55.8% where s/he did not work. For Whites, the corresponding poverty rates were 16.9% and 18.3%.

The more workers in the family, the less likely the family is to be poor. Seven in ten Hispanic families with no workers (70.0%) were poor in 1986,

compared to 30.9% of families with one wage earner and just 11.1% of those with two workers. Figures were similar for Blacks; the poverty rate was 69.1% with no workers, 33.5% with one, and just 8.4% with two. The trend was the same for White families, but even when there were no wage earners, only 22.4% of White families were poor, and this proportion dropped to 12.5% with one worker and to 4.1% with two workers.

Many personal and community factors affect Hispanic poverty rates. For example, Hispanic families were especially likely to be poor in 1986 -- they had poverty rates above the Hispanic average -- if they lived in the central cities of metropolitan areas (28.7%) or outside metropolitan areas (35.1%). Poverty rates were higher in the Northeast (32.0%) than in the other regions. The younger the head of household, the higher the poverty rate; the poverty rate for Hispanic families with a head of household 15-24 was 40.1% in 1986, for 25-34 year-olds, it was 29.4%, for those 35-44, it was 22.0%, and for those 45-54 over, 18.6%.

Poverty rates also decrease with increasing education. The poverty rate was 37.3% in 1986 for Hispanic families whose household head had less than eight years of schooling and 27.7% for those with one to three years of high school; it decreased to 17.3% for high school graduates and 6.3% for those with one or more years of college.

Large families are especially likely to be poor. In 1986, 10.3% of Hispanic families with no children under 18 were poor, and poverty rates increased progressively with number of children: 21.3% - one child; 28.2% - two children; 37.5% - three children; 51.0% - four children; 65.4% - five or more children. More than two-thirds (69.1%) of Black families with five or more children were poor in 1986, compared to 41.0% of White families of similar size.

Perhaps the major predictor of poverty among Hispanic families is having a female head of household. The majority of Hispanic (51.2%) and Black (50.1%) female-headed households were poor in 1986, compared to a little more than one-quarter (26.2%) of White female-headed households (See Figure 17). Not surprisingly, poverty rates are especially high for large female-headed families; while less than half of Hispanic and Black female-headed households with just one child were poor in 1985, the proportion went up to about three-fourths for families with three children.

The likelihood of poverty increases greatly if the female head of household is also young. In 1986, nearly three-fourths of Hispanic female heads of household aged 15-24 (73.0%) were poor, as were nearly four-fifths of Black female householders in that age group (81.5%) and two-thirds of Whites (68.6%). The poverty rate decreased to 46.5% for Whites and 61.2% for Blacks aged 25-34, but went down only slightly, to 67.9%, for Hispanics. When the female head of household was 35-44, the poverty rate remained at about 44% for both Hispanics and Blacks but decreased to 25.2% for Whites.

These statistics mean that an extremely large proportion of Hispanic children in female-headed households are poor. In 1986, 66.7% of Hispanic children in such families were poor, compared to 67.1% of similarly situated Black children (67.1%), and 46.3% for White children, as shown in Figure 18.

FIGURE 17

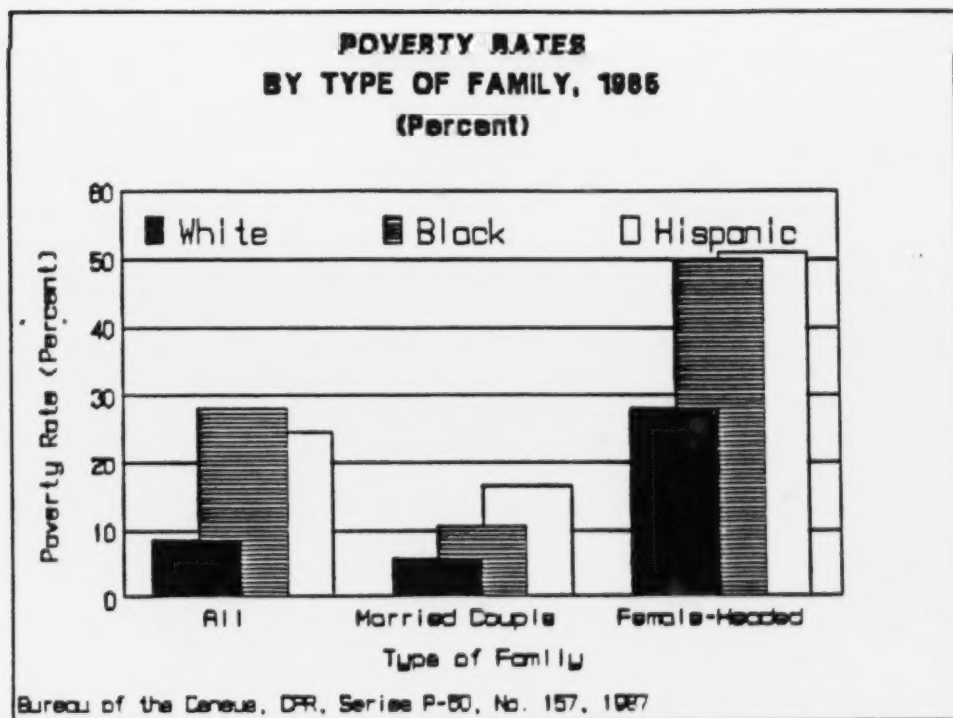
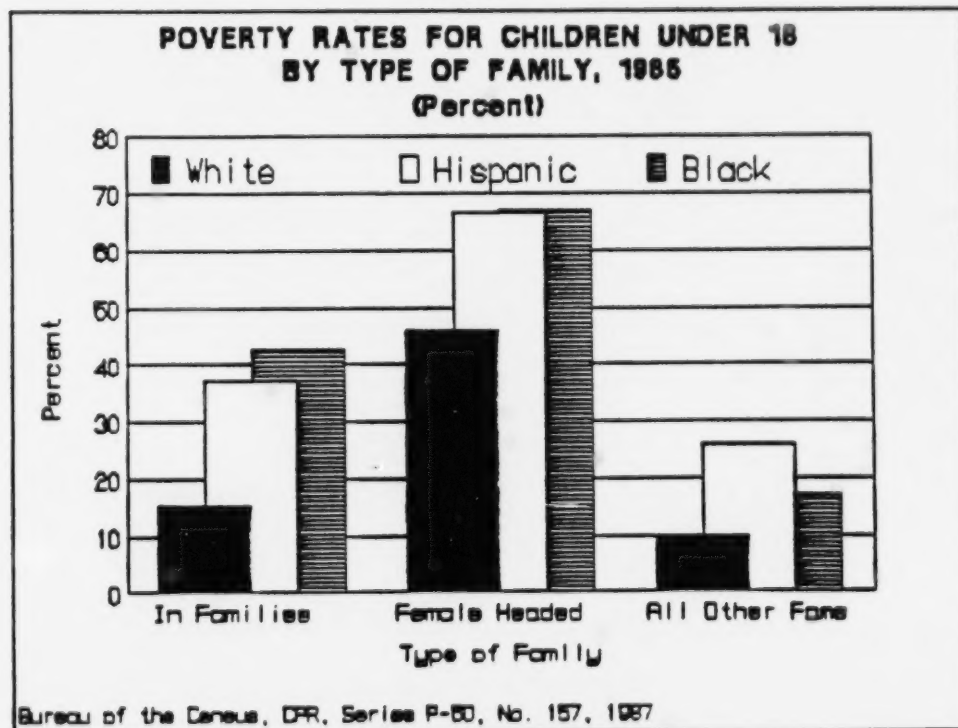


FIGURE 18



These income and poverty statistics show that Hispanics are more likely than other Americans to be among the working poor, and that female-headed Hispanic households are far more likely than married-couple families to be poor. While the proportion of female-headed households who are low-income has remained fairly constant in recent years, the proportion of female-headed households is increasing among Hispanics as well as among the general population. This means that an increasing proportion of Hispanic children will spend some part of their youth in a female-headed household -- and for most this will mean subsisting on a family income below the federal poverty level.

VI. THE FUTURE

The future socioeconomic status of Hispanics will be influenced by many population and economic trends. Among the most important are the following:

The Hispanic population will continue to increase at a higher rate than the general U.S. population, due to both natural increase and immigration. Hispanics will also become an increasing segment of the workforce. Unless present problems of undereducation and underemployment are effectively addressed, this growing population segment will face continuing obstacles to mainstream employment, and employers will face increasing difficulties in recruiting well educated and trained workers.

Hispanics will continue to be the youngest major U.S. subpopulation, but the number of Hispanic elderly will also increase dramatically. Persons over 65 currently make up only 5% of the Hispanic population, but the Hispanic elderly are expected to account for about one-fourth of total Hispanic population growth over the next 20 years. This has implications for family structure and is likely to affect educational and economic opportunities for Hispanics of all ages, since Hispanic elderly have traditionally been less likely to be institutionalized and more likely to live in multi-generational families than other groups of elderly. The growing Hispanic elderly population puts special pressures upon Hispanic families living near or below the poverty level, as well as on social service systems.

Increases in Hispanic teenage pregnancy and divorce rates are likely to mean a continuing increase in the number of female-headed households, representing the Hispanic version of the "feminization of poverty." This has major dangers for Hispanic children, given the extremely high poverty rate among Hispanic children in female-headed households.

The proportion of Hispanic women in the work force can be expected to continue to increase, for economic and other reasons. Given the Hispanic population's youth, higher fertility rates, and cultural values favoring children, this will mean an increased need and demand for day care.

High rates of teenage unemployment and continued high dropout rates for Hispanic youth threaten the employability of young Hispanics, and are likely to continue the dangerous trend of growing poverty rates. Nationally, at least half of Mexican American and Puerto Rican youth leave school without a high school diploma, and about one-quarter of Hispanic youth were unemployed in 1986. In addition, labor force participation among Hispanic youth has decreased during the 1980s. As Hispanics become an increasing proportion of young adults, it will be important for society as well as to the Hispanic community to improve their education and training so that they can become productive workers able to support their families above the poverty level.

The strength and socioeconomic status of Hispanics thus represent a matter of concern not only to Hispanics but also to the overall American society.

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